



Financial Announcement for Year Ended March 31, 2014 [Japan standard] (Consolidated)

May 12, 2014

Stock Exchanges: Tokyo Stock Exchange

Company name TOLI Corporation
 Code number 7971 URL <http://www.toli.co.jp>
 Representative (Position) President and Representative Director (Name) Motohiro Nagashima
 Official responsible for inquiries (Position) General Manager, Accounting and Finance Department (Name) Yozo Araki TEL: 06-6494-6691
 Scheduled date for Ordinary General Meeting of Shareholders June 25, 2014
 Scheduled date for start of dividend payments June 26, 2014
 Scheduled date for submission of financial statements June 25, 2014
 Preparation of supplementary explanatory materials for the financial announcement : Yes
 Holding of a briefing on the quarterly results : Yes (for securities analysts)

(Amounts of less than 1 million yen are rounded off)

1. Consolidated results for year ended March 2014 (April 1, 2013 - March 31, 2014)

(1) Consolidated results (% shows change from previous term)

	Net sales		Operating profit		Ordinary profit		Net profit for this term	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending March 2014	89,707	5.6	2,552	32.2	2,633	36.9	1,339	28.9
Year ended March 2013	84,912	5.0	1,931	66.3	1,923	85.4	1,038	266.9

(Note) Comprehensive profit: Year ended March 2014 1,394 million yen (1.1%) Year ended March 2013 1,379 million yen (309.6%)

	Net profit per share	Diluted net profit per share	Return on equity	Return on total assets	Operating profit on sales
	Yen	Yen	%	%	%
Year ending March 2014	21.55	-	5.2	3.9	2.8
Year ended March 2013	16.70	-	4.2	2.9	2.3

(For reference) Investment gain or loss under equity method: Year ended March 2014 13 million yen Year ended March 2013 18 million yen

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	Million yen	Million yen	%	Yen
Year ending March 2014	68,800	26,043	37.7	420.29
Year ended March 2013	66,947	25,575	37.9	407.77

(For reference) Shareholders' equity: Year ended March 2014 25,936 million yen Year ended March 2013 25,369 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ending March 2014	4,000	(1,283)	(1,152)	7,792
Year ended March 2013	1,740	(701)	(812)	6,218

2. Dividend payments

	Annual dividend					Total dividends (Total)	Dividend payout ratio (Consolidated)	Dividend ratio to net assets (Consolidated)
	End 1st quarter	End 2nd quarter	End 3rd quarter	End of year	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ending March 2013	-	0.00	-	5.00	5.00	311	29.9	1.3
Year ended March 2014	-	0.00	-	5.00	5.00	308	23.2	1.2
Period ending March 31st 2015 (forecast)	-	0.00	-	5.00	5.00		20.6	

3. Consolidated forecasts for year ending March 2015 (April 1, 2014 - March 31, 2015)

(% shows the change for the full term against the previous full term and change for the quarter against the same quarter of the previous year)

	Net sales		Operating profit		Ordinary profit		Net profit for this term		Net profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	41,500	2.6	250	9.9	250	(11.6)	130	1.0	2.11
Full term	91,000	1.4	2,650	3.8	2,650	0.6	1,500	12.0	24.31

* Notes

(1) Significant changes to subsidiaries during the current term

(Changes for a specified subsidiary entailing a change in the scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, representation of amendments

[1] Changes accompanying revisions to accounting standards: Yes

[2] Changes other than [1]: None

[3] Changes in accounting estimates: None

[4] Representation of amendments: None

(Note) For details, please see "4. Consolidated financial statements (5) Notes on consolidated financial statements" on page 14 of the supplementary material.

(3) Number of outstanding shares (ordinary shares)

[1] Number of outstanding shares at end of year (including treasury stock)	Year ending March 2014	66,829,249 shares	Year ended March 2013	66,829,249 shares
[2] Number of shares in treasury stock at end of year	Year ending March 2014	5,117,509 shares	Year ended March 2013	4,613,800 shares
[3] Average number of shares during the term	Year ending March 2014	62,175,102 shares	Year ended March 2013	62,218,549 shares

(For reference) Outline of Non-Consolidated business performance

Non-Consolidated business performance for year ended March 2014 (April 1, 2013 - March 31, 2014)

(1) Non-Consolidated management performance

(% shows change from previous term)

	Net sales		Operating profit		Ordinary profit		Net profit for this term	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ending March 2014	54,509	5.7	1,234	39.9	1,369	36.5	727	27.7
Year ended March 2013	51,585	4.6	882	65.3	1,003	108.5	569	228.5

	Net profit per share		Diluted net profit per share	
	Yen		Yen	
Year ending March 2014	11.70		-	
Year ended March 2013	9.15		-	

(2) Non-Consolidated financial state

	Total assets		Net assets		Capital-to-asset ratio	Net asset per share
	Million yen		Million yen		%	Yen
Year ending March 2014	58,304		20,708		35.5	335.56
Year ended March 2013	56,051		20,249		36.1	325.48

(For reference) Shareholders' equity Year ended March 2014 20,708 million yen Year ended March 2013 20,249 million yen

* Statement concerning the implementation of audit procedures

This financial announcement is not subject to the audit procedures based on the Financial Instruments and Exchange Act and the audit procedures for financial statements based on the Financial Instruments and Exchange Act were not completed at the time of presentation of this financial announcement.

* Explanation of the appropriate use of performance projections and other special instructions

These performance projections were prepared based on the information available as of the time of presentation, and actual business performance figures may differ from the projections due to various factors.

For matters pertaining to these business performance projections, please refer to "1. Discussion and analysis of the management performance / the financial situation (1) Discussion and analysis of the management performance" on page 2.

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1. Discussion and analysis of the management performance / the financial situation

(1) Discussion and analysis of the management performance

There were strong indications of moves towards economic recovery in our country's economy in the current consolidated fiscal year, such as an increase in personal consumption, a recovery in facility investment and a gentle increase in prices. In the interior industry, demand for interior materials has improved steadily, due not only to the increase in housing starts but the effect of a last minute surge in demand before the increase in the rate of consumption tax.

In this situation, our sales for the consolidated fiscal year were 89,707 million yen (5.6% increase compared to the previous term). However, profits were impacted by a surge in the cost of the main raw materials and rise in energy costs due to the increased price of crude oil and naphtha, and the depreciation of the yen, and the rate of gross profits was 26.5%, which was 0.6 points lower compared to the previous term.

On the other hand, based on the medium term business plan "Innovation and Growth 2014", which is currently underway, we have created demand, reduced costs and expanded our added-value products, through original product development and proposal-based sales. As a result, operating profits were 2,552 million yen (32.2% increase compared to the previous term), ordinary profits were 2,633 million yen (36.9% increase compared to the previous term), and net profits for this term were 1,339 million yen (28.9% increase compared to the previous term).

Business performance by segment for each business area was as follows. This information includes business between segments.

<Product business>

In our vinyl flooring, there was steady demand from medical and welfare facilities, and sales of the "HOSPILEUM NW" and "NONWAXLEUM" vinyl flooring sheet increased, and "ROYAL WOOD" and "ROYAL STONE", in which new patterns were input in August 2013 performed well. For carpets, in the medium to high grade, sales of the print tile carpet "EXCHROME series" increased, while the "TOLI FABRIC FLOOR" also performed well against the backdrop of an increase in demand in the home-related field. For curtains, the "PLUS BONHEUR", that includes a wide assortment of modern, high quality products performed well, whereas in the field of wallpaper, the "WEN series (environmental friendly wallpaper)" of wallpapers using natural materials, increased in sales. The result of this was that sales for the product business were 54,688 million yen (increase of 5.6% compared to the previous term), and the segment profit was 1,494 million yen (increase of 48.1% compared to the previous term).

< Interior wholesaling and installation business >

Sales of the company's products including vinyl flooring and carpets at the sales subsidiary continued strongly and sales of interior hardware, such as blinds and curtain rails, increased. Further, with strong performance in the construction market, installation sales also grew, and sales for the interior wholesaling and installation business finished at 59,163 million yen (increase of 4.2% compared to the previous term), while segment profit was 1,195 million yen (increase of 26.4% compared to the previous term).

(Outlook for the next term)

With regard to the outlook for the next term, with the sustainable recovery in the domestic economy, whereas there has been a continued increase in non-residential construction starts and demand for interior materials appears to be steady, there are fears of a downturn after the surge in demand before the rise in the consumption tax rate. Further, in the interior industry, the shortage of upholstering technicians is becoming more and more serious, and on the procurement side, with the surge in price of the main raw materials, the revenue environment is forecast to become ever more severe. In such circumstances, the TOLI Group will work on the reconstruction of a business framework that allows us to increase stable earnings based on the medium term business plan "Innovation and Growth 2014."

Taking the above factors into consideration, we expect consolidated net sales of 91,000 million yen, consolidated operating profit of 2,650 million yen, consolidated ordinary profit of 2,650 million yen and consolidated net profit for this term of 1,500 million yen for the fiscal year ending March 31, 2015 (full term).

(2) Discussion and analysis of the financial situation

[1] State of assets, liabilities and net assets

Assets at the end of the current consolidated fiscal year increased 1,853 million yen compared to the end of the previous term to finish at 68,800 million yen due to factors such as increases in inventories, etc.

Liabilities increased 1,384 million yen in comparison to the end of the previous term to 42,756 million yen due to a decrease in accounts payable, etc.

Net assets increased 468 million yen compared to the end of the previous term to finish at 26,043 million yen due to factors such as increases in earned surplus, etc.

[2] State of cash flows

Cash and cash equivalents during the current consolidated fiscal year increased 1,573 million yen compared to the end of the previous year to finish at 7,792 million yen (6,218 million yen at the end of the previous year).

The state of cash flows and the factors related to them during the current consolidated fiscal year were as follows. Cash flows from operating activities ended with incomings of 4,000 million yen (incomings of 1,740 million yen during the previous year). Profit increased compared to the previous term, compared to a decrease in inventory assets and accounts payable.

Cash flows from investing activities ended with outgoings of 1,283 million yen (outgoings of 701 million yen during the previous year). Expenditures increased compared to the previous year due to a decrease in profit from the redemption of investment securities, etc.

Cash flows from financing activities ended with outgoings of 1,152 million yen (outgoings of 812 million yen during the previous year). Expenditures increased compared to the previous term, due to the return of long-term borrowings.

Cash flow indices for the Group are shown below.

	Period ended March 2011	Period ended March 2012	Period ended March 2013	Period ended March 2014
Capital-to-asset ratio (%)	37.9	37.2	37.9	37.7
Capital-to-asset ratio on market value basis (%)	19.3	16.9	20.1	18.4
Cash flow-to-interest-bearing debt ratio (year)	23.9	3.4	5.7	2.5
Interest coverage ratio	2.2	16.5	11.9	32.9

(Note) Capital-to-asset ratio: Shareholders' equity/Total assets

Capital-to-asset ratio on market value basis: Market capitalization for stock/Total assets

Cash flow-to-interest-bearing debt ratio: Interest-bearing debts/Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/Interest payment

- Each of the indexes above was calculated based on the financial data on a consolidated basis.
- Market capitalization for stock was calculated as follows: Term-end closing price for shares x Term-end number of shares outstanding (after deduction for treasury stock).
- For the cash flows from operating activities, the data for cash flows from operating activities as stated in the consolidated statements of cash flows was used. Interest bearing debt covers all types of debt with interest payment among the debt stated in the consolidated balance sheet. For interest payments, the data for interest paid shown in the consolidated statements of cash flows was used.

(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term

With respect to dividend payments, TOLI understands that returning profits to its shareholders is an important mission, and its basic policy is to continue paying dividends using a stable approach. To this end, we believe that we need to bolster and stabilize our operating foundations over the long term. The Company decides the amounts and frequency of its dividend payments by taking into consideration the overall management environment with a medium- and long-term outlook, as well as considering the Company's financial situation for each fiscal term. Decision-making bodies for the Company with respect to term-end dividends and interim dividends are the general meetings of shareholders and the Board of Directors, respectively.

For the fiscal year under review, we plan to pay a term-end dividend of 5 yen per share. In regard to the dividend for the next term, we plan to pay a similar term end dividend of 5 yen per share.

2. The TOLI Group

The TOLI Group is comprised of 22 companies: the Company, 19 subsidiaries and 2 affiliates, and conducts business in two segments, “Product business” including the manufacture of interior products centered on interior decoration materials and other related operations and “Interior wholesaling and installation business” including the purchase and sale of interior related materials and interior decoration work, etc.

The positioning of the Company and its related companies, and relations with segments are as follows. The Group's business categories are the same classifications as the segments.

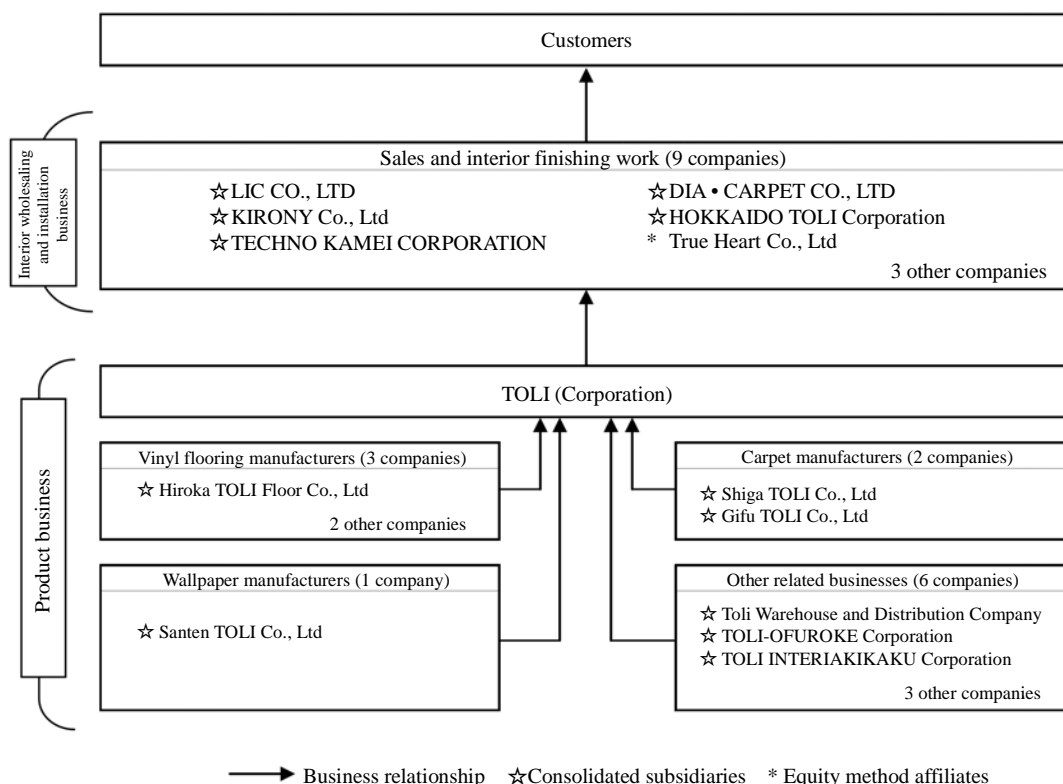
<<Product business>>

The Company and Hiroka TOLI Floor Co., Ltd. manufacture vinyl tiles and vinyl sheets, Shiga TOLI Co., Ltd. and Gifu TOLI Co., Ltd. manufacture carpets, and Santen TOLI Co., Ltd. manufactures wallpaper under the control of the Company's Manufacturing Headquarters. In addition, companies including TOLI INTERIAKIKAKU Corporation, etc., carry out curtain planning and sewing production, and TOLI-OFUROKE Corporation carries out maintenance of interior decorating materials as other related business. Toli Warehouse and Distribution Company, Limited, carries out product inventory management and distribution work for the TOLI Group.

<<Interior wholesaling and installation business>>

Various sales companies such as LIC CO., LTD, KIRONY Co., Ltd., TECHNO KAMEI CORPORATION., DIA-CARPET CO., LTD., HOKKAIDO TOLI Corporation and True Heart Co., Ltd, etc., purchase and sell interior-related materials and carry out interior decoration work, etc.

The main roles and business relationships of each of the group companies listed above is as shown in the illustration below.



3. Management policy

(1) Basic management policy

The TOLI Group operates based on the following three management principles: “We will contribute to improving lifestyles and culture through our interior decoration business;” “Customer-first thinking is our code of conduct;” and “We seek to become the leader in the total interior business.” With “Everything is for the customer” as our action guideline, we aim to provide products and services that can bring quality to every kind of residential, commercial and other space that people encounter in their daily lives, including houses and residential buildings, office buildings, schools, medical and welfare facilities and commercial facilities. Through these activities, we seek to continually raise our corporate value. We will strictly observe all laws and ordinances, and we will always conduct ourselves as a good corporate citizen, fulfilling our responsibility toward society, for example by preserving the global environment. Our goal is to be a corporate group that society will trust, with great expectations.

(2) Operating targets

The management goal for the TOLI Group is to be a true leader in the interior decoration industry, and to earn the trust and support of our customers. To achieve this goal, we will improve operational efficiency throughout the Group, bolster our earnings foundation and increase asset efficiency in order to achieve steady profits and maximize the share price. The Company has set the target management indicators for 2014, the final year of the medium term management plan "Innovation and Growth 2014" that started in fiscal year 2012 of net sales of 90,000 million yen, ordinary profit of 2,500 million yen and an ROA (return on total assets) of at least 4%. For 2014, we are expecting sales of 91,000 million yen and ordinary profit of 2,650 million yen.

(3) The Company's medium-term business management strategy

The TOLI Group is currently promoting the medium term business plan for fiscal 2012 to fiscal 2014, “Innovation and Growth 2014.” Under this plan, the TOLI Group will work on the 2 priority strategies below aimed at the construction of a business framework that allows us to increase stable earnings even in a difficult environment.

1. The strengthening of our operating base through structural reform

We will promote the structural reform of our vinyl flooring business and our carpet business, the core elements of the TOLI Group, keep an eye on their adjustment to globalization and increase our market competitiveness in terms of quality, functionality and design. In addition, we will strengthen undertakings that contribute to the conservation of the global environment and play a role that leads the interior industry.

2. The capture of growth areas

The TOLI Group will focus on business expansion overseas, starting with Asia, and make efforts to capture the domestic interior reform market and product sales channels. In addition, we will make efforts to expand business into areas peripheral to our existing areas based on the strengthening of our technological development capabilities.

(4) Challenges that the Company should address

The TOLI Group is conscious of its social mission as the total interior manufacturer that leads the industry, and will make efforts in detailed product development and the positive promotion of sales in order to propose comfortable lifestyles for customers. We think that our important management issues are to promote undertakings towards the achievement of the priority strategy targets of the medium term business plan "Innovation and Growth 2014", to overcome the challenges that stem from uncertainties in the business environment including the rising costs of key materials associated with fluctuations of exchange rate and hike in crude oil prices and intensifying competition, to establish a more powerful and resilient operating base and to accelerate the pace of growth.

We are well aware that as a manufacturer, efforts towards environmental protection and the quality of safety are among the most pressing issues we face. We have expressed our desire to be a corporate group that is friendly towards people and the earth as our TOLI ECO SPIRIT philosophy, and we will work earnestly to alleviate environmental problems from a variety of perspectives, including the promotion of a low-carbon society. By striving towards the research and development of products that are friendly to people and the earth and by supplying such products to people while using limited resources effectively, we will fulfill our responsibilities as a corporate citizen and make efforts so that we can continue being a corporate group that is trusted and counted on around the world.

The TOLI Group recognizes that the achievement and maintenance of adequacy in all operations including accounting is another important management issue. The TOLI Group has built and operates an evaluation and management system for internal controls to handle the internal controls reporting system, and by further developing this system we plan to streamline and clarify corporate management and strengthen governance.

4. Consolidated financial statements

(1) Consolidated financial statements

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2013)	Current consolidated fiscal year (March 31, 2014)
Assets		
Current assets		
Cash and deposits	5,565	7,139
Notes and accounts receivable	26,134	27,446
Securities	715	716
Goods and products	7,154	6,788
Work-in-progress	1,196	902
Raw materials and stored goods	1,528	1,476
Deferred tax assets	491	408
Others	992	890
Allowance for doubtful receivables	(353)	(280)
Total current assets	43,424	45,488
Fixed assets		
Tangible fixed assets		
Buildings and structures	18,745	18,728
Cumulative depreciation	(13,757)	(13,937)
Accumulated impairment loss	(3)	(32)
Buildings and structures (Net amount)	4,985	4,758
Machinery devices and vehicles	22,015	22,228
Cumulative depreciation	(20,298)	(20,615)
Machinery and vehicles (Net amount)	1,717	1,612
Equipment	2,197	2,325
Cumulative depreciation	(1,991)	(2,034)
Equipment (Net amount)	205	290
Land	8,625	8,371
Lease assets	249	95
Cumulative depreciation	(166)	(59)
Lease assets (net)	83	36
Construction in progress	225	206
Total tangible fixed asset	15,841	15,276
Intangible assets		
Software	325	581
Others	257	50
Total intangible	582	632
Investments and other assets		
Investment securities	3,746	4,091
Long-term loans receivable	146	127
Deferred tax assets	1,077	1,201
Others	2,459	2,329
Allowance for doubtful receivables	(331)	(345)
Total investment and other asset	7,098	7,403
Total fixed assets	23,523	23,312
Total assets	66,947	68,800

(Unit: million yen)

	Previous consolidated fiscal year (March 31, 2013)	Current consolidated fiscal year (March 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable	22,680	23,855
Short-term borrowings	1,610	1,219
Lease liabilities	59	18
Accrued corporation taxes	546	684
Accrued expenses	1,498	1,657
Reserve for bonus payable	583	620
Others	1,462	1,368
Total current liabilities	28,439	29,423
Fixed liabilities		
Long-term borrowings	6,610	6,800
Lease liabilities	38	22
Reserve for retirement allowance	4,002	-
Liabilities related to retirement allowance	-	4,127
Asset retirement obligations	97	98
Long-term guarantee deposits	1,725	1,809
Others	459	474
Total fixed liabilities	12,932	13,332
Total liabilities	41,372	42,756
Net assets		
Shareholders' equity		
Capital	6,855	6,855
Capital surplus	6,423	6,423
Earned surplus	12,437	13,466
Treasury stock	(1,017)	(1,115)
Total shareholders' equity	24,699	25,629
Accumulated other comprehensive profit		
Unrealized gain (loss) on securities	670	817
Remeasurements of defined benefit plans	-	(510)
Total accumulated other comprehensive profit	670	306
Minority interests	205	107
Total net assets	25,575	26,043
Total liabilities and net assets	66,947	68,800

(2) Consolidated statement of profit and consolidated statement of comprehensive profit
(Consolidated statement of profit)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)	Current consolidated fiscal year (April 1, 2013 - March 31, 2014)
Net sales	84,912	89,707
Cost of sales	61,889	65,902
Gross profit	23,023	23,805
Selling and general administrative expenses	21,092	21,252
Operating profit	1,931	2,552
Non-operating profit		
Interest profit	11	10
Dividends profit	75	88
Purchase discount	75	79
Investment gain on equity method	18	13
Real estate rental charges	53	60
Insurance dividends	27	41
Others	84	98
Total non-operating profit	346	391
Non-operating expenses		
Interest expense	144	122
Sales discounts	118	123
Others	90	65
Total non-operating expenses	353	310
Ordinary profit	1,923	2,633
Extraordinary profit		
Gain on sale of fixed assets	1	11
Total extraordinary profit	1	11
Extraordinary loss		
Loss on disposal of fixed assets	23	73
Impairment losses	3	-
Loss on business restructuring	-	300
Others	6	-
Total extraordinary loss	32	373
Net profit before taxes and other adjustments	1,892	2,271
Corporation tax, local inhabitants taxes, and enterprise taxes	637	865
Deferred corporation tax	207	159
Total corporation and other taxes	844	1,024
Net profit before minority interests	1,048	1,247
Minority interests	9	(92)
Net profit for this term	1,038	1,339

(Consolidated statement of profit and consolidated statement of comprehensive profit)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)	Current consolidated fiscal year (April 1, 2013 - March 31, 2014)
Net profit before minority interests	1,048	1,247
Other comprehensive profit		
Unrealized gain (loss) on securities	331	147
Total other comprehensive profit	331	147
Comprehensive profit	1,379	1,394
(Breakdown)		
Comprehensive profit related to shareholders of the parent company	1,370	1,487
Comprehensive profit related to minority shareholders	9	(92)

(3) Consolidated Statement of Changes in Shareholders' Equity, etc.

Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at start of current term	6,855	6,423	11,710	(1,016)	23,972
Change during current term					
Distribution of surplus			(311)		(311)
Net profit for this term			1,038		1,038
Acquisition of treasury stock				(1)	(1)
Change during current term in items other than shareholders' equity (net)					
Total change during current term	-	-	727	(1)	726
Balance at end of current term	6,855	6,423	12,437	(1,017)	24,699

	Accumulated other comprehensive profit			Minority interests	Total net assets
	Unrealized gain (loss) on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive profit		
Balance at start of current term	338	-	338	198	24,509
Change during current term					
Distribution of surplus					(311)
Net profit for this term					1,038
Acquisition of treasury stock					(1)
Change during current term in items other than shareholders' equity (net)	331	-	331	7	339
Total change during current term	331	-	331	7	1,065
Balance at end of current term	670	-	670	205	25,575

Current consolidated fiscal year (April 1, 2013 - March 31, 2014)

(Unit: million yen)

	Shareholders' equity				
	Capital	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at start of current term	6,855	6,423	12,437	(1,017)	24,699
Change during current term					
Distribution of surplus			(311)		(311)
Net profit for this term			1,339		1,339
Acquisition of treasury stock				(98)	(98)
Change during current term in items other than shareholders' equity (net)					
Total change during current term	-	-	1,028	(98)	930
Balance at end of current term	6,855	6,423	13,466	(1,115)	25,629

	Accumulated other comprehensive profit			Minority interests	Total net assets
	Unrealized gain (loss) on securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive profit		
Balance at start of current term	670	-	670	205	25,575
Change during current term					
Distribution of surplus					(311)
Net profit for this term					1,339
Acquisition of treasury stock					(98)
Change during current term in items other than shareholders' equity (net)	147	(510)	(363)	(98)	(461)
Total change during current term	147	(510)	(363)	(98)	468
Balance at end of current term	817	(510)	306	107	26,043

(4) Consolidated statements of cash flows

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)	Current consolidated fiscal year (April 1, 2013 - March 31, 2014)
Cash flows from operating activities		
Net profit before taxes and other adjustments	1,892	2,271
Depreciation	1,235	1,230
Impairment losses	3	-
Goodwill amortization	15	15
Long-term prepaid expenses depreciation	480	445
Loss on disposal of fixed assets	23	73
Loss (gain) on sale of fixed assets	(0)	(11)
Loss on business restructuring	-	300
Change in allowance for doubtful receivables (brackets denote a decrease)	(34)	(58)
Change in reserve for retirement allowance (brackets denote a decrease)	(87)	-
Change in liabilities for retirement allowance (brackets denote a decrease)	-	(33)
Equity in earnings or loss of subsidiary or affiliated company (brackets denote a gain)	(18)	(13)
Interest and dividend profit	(86)	(98)
Interest expense	144	122
Foreign currency translation gain or loss (brackets denote a gain)	(20)	(9)
Change in trade receivables (brackets denote an increase)	41	(1,286)
Change in value of inventory assets (brackets denote an increase)	(1,196)	711
Change in trade payables (brackets denote a decrease)	(73)	1,200
Others	(152)	(113)
Sub total	2,167	4,746
Interest and dividend received	91	98
Interest paid	(146)	(121)
Payment or refund of company tax, etc. (brackets denote a payment)	(373)	(722)
Cash flows from operating activities	1,740	4,000
Cash flows from operating activities		
Payments into time deposits	(162)	(62)
Profit from time deposits	162	62
Expenditure on the acquisition of tangible fixed assets	(874)	(888)
Profit from the sale of tangible fixed assets	50	75
Expenditure on the acquisition of intangible fixed assets	(93)	(387)
Expenditure on the acquisition of investment securities	(3)	(103)
Profit from the redemption of investment securities	400	-
Expenditure due to acquisition of shares in subsidiaries	-	(5)
Expenditure on loans	(1,502)	(900)
Profit from the return of loans receivable	1,490	973
Others	(167)	(47)
Cash flows from operating activities	(701)	(1,283)

(Unit: million yen)

	Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)	Current consolidated fiscal year (April 1, 2013 - March 31, 2014)
Cash flows from financing activities		
Net repayment in short-term borrowings (brackets denote a decrease)	0	(0)
Extension of long-term borrowings	2,900	1,100
Repayment of long-term borrowings	(2,900)	(1,300)
Expenditures due to repayment of lease liabilities	(73)	(159)
Expenditures due to repayment of accrued liabilities	(425)	(381)
Payments for acquisition of treasury stock	(1)	(98)
Dividends paid	(311)	(311)
Dividends paid to minority shareholders	(1)	(1)
Cash flows from financing activities	(812)	(1,152)
Effect of exchange rate changes on cash and cash equivalents	20	9
Change in cash and cash equivalents (brackets denote a decrease)	246	1,573
Cash and cash equivalents at beginning of year	5,972	6,218
Cash and cash equivalents at end of year	6,218	7,792

(5) Notes on consolidated financial statements

(Notes on the assumption of the company as a going concern)

No corresponding item exists.

(Changes in accounting policies)

(Application of accounting standards etc. regarding retirement allowance)

“Accounting standards etc. regarding retirement allowance”(Corporate accounting standards no. 26, May 17, 2012.

Hereinafter “retirement allowance accounting standards”) and (“Guidance on accounting standards regarding retirement allowance” (guidance on application of accounting standards no. 25, May 17, 2012. Hereinafter “guidance on application of accounting standards”) shall be applied to the current fiscal year, and (however, this excludes the determinations raised in the main section of no. 35 of retirement allowance accounting standards and main section of the no. 67 guidance on application of retirement allowance) and the method has been changed to that in which the amount of pension assets are removed from retirement allowance is posted as liabilities related to retirement allowance, and the unrecognized actuarial differences and unrecognized past work costs are posted as liabilities related to retirement allowances.

Application of the retirement allowance accounting standards follows the transitional treatment determined in no.37 of the retirement allowance accounting standards, and for the end of the current consolidated fiscal year, the amount affected by this change is added or subtracted from the adjusted cumulative total related to the retirement allowance for the accumulated other comprehensive profit.

The result of this was that for the current consolidated fiscal year, liabilities related to retirement allowance were posted as 4,127 million yen and other accumulated other comprehensive profit had decreased by 510 million yen.

This amount only mildly affected the net assets per share.

(Segment information etc.)

a. Segment information

1. Outline of reporting segments

The Company's reporting segments are those of the TOLI Group's constituent units for which segregated financial information can be obtained and are subject to the Board of Directors conducting regular investigations in order to determine the allocation of management resources and evaluate performance.

The TOLI Group manufactures, purchases, sells and installs interior products centered on interior decoration materials, and also performs interior-related decoration work, and has 2 reporting segments: "Product business" and "Interior wholesaling and installation business."

In regard to "Product business," apart from the Company, related companies under the control of the Company's Manufacturing Headquarters manufacture interior products such as vinyl flooring and carpets, etc., and carry out services related to that such as interior decoration material maintenance, product warehouse management and distribution, etc.

In regard to "Interior wholesaling and installation business," related companies that manage sales and marketing operations purchase and sell interior-related materials, and carry out interior decoration-related work, etc.

2. Method of calculating amount of net sales, profit, assets and other items for each reporting segment

The method of accounting for the reported industry segment is a method that conforms to the accounting principles and procedures adopted in order to create the consolidated balance sheet.

The profits for the reported segment are figures based on the ordinary profits.

The internal revenue and transfers within the segment are based on the market price.

3. Information on net sales, profit or loss, assets, liabilities and other values for each reporting segment

Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Reporting segment			Adjustment Note 1	Value posted in the consolidated financial statements Note 2
	Product business	Interior wholesaling and installation business	Subtotal		
Sales					
Sales to external customers	28,562	56,350	84,912	-	84,912
Internal sales or transfers among segments	23,209	407	23,616	(23,616)	-
Subtotal	51,771	56,757	108,529	(23,616)	84,912
Segment profit	1,008	946	1,954	(30)	1,923
Segment assets	57,498	24,769	82,268	(15,320)	66,947
Other items					
Depreciation	1,164	71	1,235	-	1,235
Goodwill amortization	9	10	19	(4)	15
Interest profit	11	28	40	(28)	11
Interest expense	166	7	173	(28)	144
Investment profit on equity method	16	-	16	1	18
Value of investment in equity method affiliates	189	-	189	(4)	184
Total tangible fixed assets and increase in intangible fixed assets	1,187	58	1,245	-	1,245

Note 1 The adjustment of segment profit of -30 million yen and the adjustment of segment assets of -15,320 million yen are due to the elimination of transactions between segments

2 Segment profit has been adjusted with ordinary profit in the consolidated statement of profit and loss.

Current consolidated fiscal year (April 1, 2013 - March 31, 2014)

(Unit: million yen)

	Reporting segment			Adjustment Note 1	Value posted in the consolidated financial statements Note 2
	Product business	Interior wholesaling and installation business	Subtotal		
Sales					
Sales to external customers	31,029	58,678	89,707	-	89,707
Internal sales or transfers among segments	23,659	484	24,143	(24,143)	-
Subtotal	54,688	59,163	113,851	(24,143)	89,707
Segment profit	1,494	1,195	2,689	(55)	2,633
Segment assets	59,148	26,629	85,778	(16,977)	68,800
Other items					
Depreciation	1,169	59	1,228	2	1,230
Goodwill amortization	7	10	17	(2)	15
Interest profit	9	35	44	(34)	10
Interest expense	149	6	156	(34)	122
Investment profit on equity method	12	-	12	1	13
Value of investment in equity method affiliates	200	-	200	(3)	197
Total tangible fixed assets and increase in intangible fixed assets	1,050	14	1,064	0	1,064

Note 1 The adjustment of segment profit of -55 million yen and the adjustment of segment assets of -16,977 million yen are due to the elimination of transactions between segments

2 Segment profit has been adjusted with ordinary profit in the consolidated statement of profit and loss.

b. Information related to the depreciation of fixed assets for each reported segment

Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Subtotal		
Impairment losses	-	3	3	-	3

Current consolidated fiscal year (April 1, 2013 - March 31, 2014)

(Unit: million yen)

	Reporting segment			Group-wide businesses or elimination	Total
	Product business	Interior wholesaling and installation business	Subtotal		
Impairment losses	233	-	233	-	233

(Note) These impairment losses are included in the loss on business restructuring in the the Consolidated Statements of Profit.

(Per-share data)

Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)		Current consolidated fiscal year (April 1, 2013 - March 31, 2014)	
Net assets per share	407.77 yen	Net assets per share	420.29 yen
Net profit for this term per share	16.70 yen	Net profit for this term per share	21.55 yen

(Note) 1 Diluted net profit per share is omitted because there was no potential dilution.

2 The basis for calculation of net profit per share is as follows.

	Previous consolidated fiscal year (April 1, 2012 - March 31, 2013)	Current consolidated fiscal year (April 1, 2013 - March 31, 2014)
Net profit per share		
Net profit as stated in the Consolidated Statement of Profit (million yen)	1,038	1,339
Amount not belonging to common stockholders (million yen)	-	-
Net profit pertaining to common stock (million yen)	1,038	1,339
Average number of common stock shares during the period (thousands of shares)	62,218	62,175

(Important post-balance sheet events)

No corresponding item exists.

5. Non-Consolidated financial statements

(1) Balance sheets

(Unit: million yen)

	Previous fiscal year (March 31, 2013)	Current fiscal year (March 31, 2014)
Assets		
Current assets		
Cash and deposits	4,366	5,359
Notes receivable	6,198	6,455
Accounts receivable	13,612	14,968
Securities	715	716
Goods and products	7,130	6,735
Work-in-progress	236	225
Raw materials and stored goods	1,042	1,005
Prepaid expenses	279	355
Deferred tax assets	203	195
Others	2,531	2,186
Allowance for doubtful receivables	(158)	(139)
Total current assets	36,159	38,064
Fixed assets		
Tangible fixed assets		
Buildings (net)	3,877	3,715
Structures (net)	211	210
Machinery and equipment (net)	1,050	1,007
Motor vehicles and transport equipment (net)	16	24
Equipment (Net amount)	151	250
Land	5,986	5,937
Construction in progress	173	136
Others	42	7
Total tangible fixed assets	11,510	11,290
Intangible assets		
Software	299	560
Others	206	15
Total intangible fixed assets	505	575
Investments and other assets		
Investment securities	3,215	3,502
Shares in affiliated companies	1,162	1,145
Long-term loans receivable	1,146	1,248
Long-term advance charges	238	331
Deferred tax assets	781	618
Others	1,375	1,721
Allowance for doubtful receivables	(43)	(192)
Total investment and other assets	7,875	8,374
Total fixed assets	19,891	20,240
Total assets	56,051	58,304

(Unit: million yen)

	Previous fiscal year (March 31, 2013)	Current fiscal year (March 31, 2014)
Liabilities		
Current liabilities		
Notes payable	3,212	3,139
Accounts payable	11,153	12,127
Short-term borrowings	300	300
Current portion of long-term borrowings	1,300	910
Arrears	902	953
Accrued expenses	1,243	1,370
Accrued corporation taxes	221	313
Deposits	5,534	6,353
Reserve for bonus payable	291	309
Others	44	10
Total current liabilities	24,204	25,788
Fixed liabilities		
Long-term borrowings	6,610	6,800
Reserve for retirement allowance	2,943	2,913
Asset retirement obligations	53	54
Others	1,989	2,040
Total fixed liabilities	11,597	11,808
Total liabilities	35,801	37,596
Net assets		
Shareholders' equity		
Capital	6,855	6,855
Capital surplus		
Capital reserve	1,789	1,789
Other capital surplus	4,633	4,633
Total capital surplus	6,423	6,423
Earned surplus		
Other earned surplus		
Special reserves	5,000	5,000
Earned surplus carried forward	2,374	2,791
Total earned surplus	7,374	7,791
Treasury stock	(1,017)	(1,115)
Total shareholders' equity	19,636	19,954
Unrealized gain (loss) and equity adjustment from currency translation		
Unrealized gain (loss) on securities	613	753
Total unrealized gain (loss) and equity adjustment from currency translation	613	753
Total net assets	20,249	20,708
Total liabilities and net assets	56,051	58,304

(2) Statements of profit

(Unit: million yen)

	Previous fiscal year (April 1, 2012 - March 31, 2013)	Current fiscal year (April 1, 2013 - March 31, 2014)
Net sales	51,585	54,509
Cost of sales	35,969	38,409
Gross profit	15,616	16,100
Selling and general administrative expenses	14,734	14,865
Operating profit	882	1,234
Non-operating profit		
Interest profit and dividends	190	179
Others	272	290
Total non-operating profit	463	469
Non-operating expenses		
Interest expense	166	149
Others	175	185
Total non-operating expenses	342	335
Ordinary profit	1,003	1,369
Extraordinary profit		
Gain on sale of fixed assets	1	11
Others	-	1
Total extraordinary profit	1	13
Extraordinary loss		
Loss on disposal of fixed assets	13	59
Loss on business restructuring	-	100
Total extraordinary loss	13	160
Net profit before taxes and other adjustments	991	1,222
Corporation tax, local inhabitants taxes, and enterprise taxes	213	401
Deferred corporation tax	208	93
Total corporation and other taxes	421	494
Net profit for this term	569	727

(3) Statement of Changes in Shareholders' Equity, etc.

Previous fiscal year (April 1, 2012 - March 31, 2013)

(Unit: million yen)

	Shareholders' equity								
	Capital	Capital surplus			Earned surplus			Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other earned surplus		Total earned surplus		
					Special reserves	Earned surplus carried forward			
Balance at start of current term	6,855	1,789	4,633	6,423	5,000	2,116	7,116	(1,016)	19,379
Change during current term									
Distribution of surplus						(311)	(311)		(311)
Net profit for this term						569	569		569
Acquisition of treasury stock								(1)	(1)
Change during current term in items other than shareholders' equity (net)									
Total change during current term	-	-	-	-	-	258	258	(1)	257
Balance at end of current term	6,855	1,789	4,633	6,423	5,000	2,374	7,374	(1,017)	19,636

	Unrealized gain (loss) and equity adjustment from currency translation		Total net assets
	Unrealized gain (loss) on securities	Total unrealized gain (loss) and equity adjustment from currency translation	
Balance at start of current term	315	315	19,695
Change during current term			
Distribution of surplus			(311)
Net profit for this term			569
Acquisition of treasury stock			(1)
Change during current term in items other than shareholders' equity (net)	297	297	297
Total change during current term	297	297	554
Balance at end of current term	613	613	20,249

Current fiscal year (April 1, 2013 - March 31, 2014)

(Unit: million yen)

	Shareholders' equity								
	Capital	Capital surplus			Earned surplus			Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Other earned surplus		Total earned surplus		
					Special reserves	Earned surplus carried forward			
Balance at start of current term	6,855	1,789	4,633	6,423	5,000	2,374	7,374	(1,017)	19,636
Change during current term									
Distribution of surplus						(311)	(311)		(311)
Net profit for this term						727	727		727
Acquisition of treasury stock								(98)	(98)
Change during current term in items other than shareholders' equity (net)									
Total change during current term	-	-	-	-	-	416	416	(98)	318
Balance at end of current term	6,855	1,789	4,633	6,423	5,000	2,791	7,791	(1,115)	19,954

	Unrealized gain (loss) and equity adjustment from currency translation		Total net assets
	Unrealized gain (loss) on securities	Total unrealized gain (loss) and equity adjustment from currency translation	
Balance at start of current term	613	613	20,249
Change during current term			
Distribution of surplus			(311)
Net profit for this term			727
Acquisition of treasury stock			(98)
Change during current term in items other than shareholders' equity (net)	140	140	140
Total change during current term	140	140	458
Balance at end of current term	753	753	20,708